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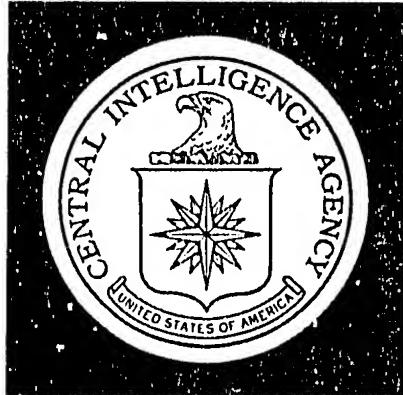
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# Intelligence Memorandum

RELATIONS BETWEEN COMMUNIST CHINA AND BURMA

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CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
29 January 1968

## INTELLIGENCE MEMORANDUM

Relations Between Communist China and BurmaSummary

Relations between Peking and Rangoon have been deteriorating steadily since last summer and are now worse than at any time since the border settlement in 1960. This agreement ended a long period of tension marked by Chinese subversion in Burma and repeated small-scale clashes along the Sino-Burmese frontier.

Peking's shift in line last June--in large part a reflection of domestic Cultural Revolution extremism--has aroused increasing Burmese anxiety over Chinese intentions. A full scale propaganda campaign in July denouncing the "fascist Ne Win clique" and a public declaration of Chinese support for Burmese Communist insurgents have apparently sparked new fears in the Burmese Government that Peking is planning an intensified campaign of subversion or even military intervention of some sort.

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Peking is probably now committed to a policy of hostility toward Burma and can be expected to do what it can to exploit the manifold domestic problems besetting Rangoon. The Chinese appear, however, to have a sober and realistic view of difficulties they face in the situation and the evidence now available points to a long-range campaign conducted on a limited scale. This could make serious trouble for Burma but would probably not threaten the existence of the regime.

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### The Background of Sino-Burmese Relations

1. Prior to last summer, relations between Peking and Rangoon were outwardly harmonious, reflecting a modus vivendi that had gradually developed since 1960. Burma retained its freedom of action without undue interference from the "co-lossus of the north" and was able to practice a foreign policy of neutrality and isolation. China, for its part, benefited from an almost total exclusion of Western influence and presence in Burma, which served to create a buffer zone on China's southwest flank. Ever mindful of a Burmese proverb that states, "When China spits--Burma swims," Rangoon has traditionally taken great pains to avoid actions which could be construed as hostile to Peking, and has stoically accepted China's tendency to deal with Burma more as a vassal than as a sovereign equal. In 1961, Burma allowed Chinese military units to operate within Burmese territory against Kuomintang remnants that were eventually driven into Thailand. The same year, Rangoon accepted a credit of \$84 million from Peking which made China Burma's primary source of foreign aid. The Chinese were probably further encouraged in 1962 when Ne Win's new military dictatorship embarked on a locally colored but highly inflexible variant of Marxist authoritarianism--the "Burmese road to Socialism."

2. Although Peking was, no doubt, initially satisfied by its accommodation with Ne Win, Chinese hopes for further benefits were quickly disappointed. Under a facade of harmonious relations, repeated, and at times heavy-handed, Chinese efforts to persuade Rangoon to lend itself to Chinese political and propaganda lines were almost completely frustrated by Burmese xenophobia and devotion to noninvolvement in international affairs. Burma consistently refused to take an anti-US stand on Vietnam, limiting itself to a statement in July 1964 of "concern" over the "grave situation" there. Rangoon was among the first to adhere to the partial nuclear test ban treaty, which Peking vehemently opposed, and also stubbornly refused to participate

in the abortive Afro-Asian Conference of 1965 which the Chinese had hoped to dominate.

3. Peking also became increasingly dissatisfied with the Burmese Government's internal policies. Among the first targets of Ne Win's drive to achieve state socialism were the approximately 400,000 overseas Chinese in Burma. In 1963 the two Chinese banks in Burma were nationalized and the assets of Chinese businessmen were seized. Peking, however, adopted a tolerant attitude toward these moves and did not make a major issue over the plight of the overseas Chinese in Burma. A far more serious point of friction emerged later in the year involving the pro-Peking Burmese Communist Party (CPB), which has been in insurgency against the government since 1949. Although it withheld open support for the party, China had long harbored much of its leadership in Peking and had strongly advocated a settlement between Rangoon and the Communists which would provide for their participation in a coalition government.

4. In September 1963, Ne Win entered into talks with the Communist leadership, flown in from Peking by the Chinese. His military regime, however, had no intention of sharing governmental authority and the talks quickly broke down. Pledging complete destruction of the Communists, Ne Win began massive arrests of virtually every above-ground pro-Communist political figure in the country. A few months later Rangoon, fearful of possible Chinese support for the Communists, closed down Peking's consulate in Mandalay for violation of propaganda restrictions while allowing the US consulate to remain.

5. In spite of these affronts Peking continued to withhold public support for the Burmese Communists and maintained the facade of close and friendly relations with Rangoon. In July 1965, Ne Win paid a state visit to Peking and a month later hosted Liu Shao-chi and Chou En-lai in Rangoon. In April 1966, Liu made another trip to Rangoon accompanied by Foreign Minister Chen Yi. The Chinese must have

viewed these junkets, to some degree, as diplomatic failures since the discussions during the three visits produced bland and innocuous communiqus at a time when Peking was making a concerted effort to win public support for its foreign policies from Asian "third-world" states.

6. In 1966, Chinese misgivings were probably strengthened by Burmese actions which indicated a desire to cultivate a more active relationship with the West. Rangoon's new tactics, reflected in Ne Win's visit to the US in September 1966, were probably originally intended simply to reaffirm Burmese neutrality. By early 1967, however, the Burmese Government was seriously considering the purchase of substantial quantities of relatively sophisticated US military equipment--a step the Burmese almost certainly realized would result in a deterioration in Sino-Burmese relations. By the summer of 1967, Peking had few remaining illusions concerning the reliability or future usefulness of the Ne Win government.

#### The Events of Last Summer

7. Last summer's sharp disruption in Sino-Burmese relations followed a general pattern of Chinese activity abroad that has marred Peking's relations with most of the underdeveloped world during the past year and a half. In Burma's case, the trouble stemmed directly from the Chinese Embassy's political activity among the local overseas Chinese population--a reflection of the Cultural Revolution's impact within the Foreign Ministry and on Chinese missions abroad. Since early 1967, the embassy had been sending propaganda teams into the interior of Burma promoting the Cultural Revolution and distributing Mao Tse-tung books and badges. Such overt interference among a local Chinese population represented a major tactical shift in the conduct of Chinese diplomatic missions, since Peking, hitherto, had been extremely tactful in its involvement with Chinese residents of ostensibly friendly nations.

8. When the Chinese Embassy ignored Rangoon's initial discreet complaints on the Mao propaganda issue, the Ministry of Education on 19 June banned the wearing of Mao Tse-tung badges at Chinese educational institutions. When the order was defied, apparently with the encouragement of the Chinese Embassy, various Chinese schools were closed as a disciplinary measure. At this point, clashes between Chinese and Burmese student groups quickly led to nation-wide anti-Chinese demonstrations and rioting. The Burmese Government, which appeared to give silent approval to the demonstrations, was slow in restoring order and acted only after a member of the Chinese mission in Rangoon was killed. Although probably dismayed by the sudden turn of events, the Burmese apparently wanted to impress upon Peking that the political activities of the Chinese Embassy were unacceptable.

9. Peking was quick to charge the Burmese Government with responsibility for the anti-Chinese activity and demanded protection for Chinese diplomats and nationals in Burma. This was followed by massive demonstrations against the Burmese Embassy in Peking. The Burmese quietly rejected the Chinese protests, apparently hoping that Peking would eventually allow tensions to subside. At this crucial moment, however, the Chinese launched a full-scale propaganda offensive against the "fascist Ne Win clique" and, most importantly, for the first time gave public support for the Burmese Communist insurgents. By taking such a step, Peking made it clear that its policy of accommodation with Rangoon was being scrapped in favor of an openly hostile stance toward "Burma's Chiang Kai-shek."

10. Relations between Rangoon and Peking grew steadily worse. Approximately 450 Chinese aid technicians were withdrawn from Burma in October at Rangoon's initiative. Only skeleton diplomatic staffs now remain in the two capitals and relations are virtually suspended. Chinese propaganda since then has continued to call for a "people's revolution" in

Burma. In addition to supporting the Burmese Communists, Peking has directed its propaganda at all discontented Burmese elements, hoping to capitalize on Rangoon's economic mismanagement and unpopular minority policies. Faced with such hostility on the part of Peking and an increasing number of reports of Chinese support for both Communist and ethnic insurgents, the Burmese Government has resigned itself to the prospect of a complete break with Peking.

#### The Impact of the Cultural Revolution

11. Peking's actions in the disruption of Sino-Burmese relations should probably be assessed within the context of the Cultural Revolution and the implications it held at the time for Chinese foreign policy. Last June the Foreign Ministry in Peking had been literally taken over by Red Guards and many of its responsible officials had been replaced by Maoist extremists--fervent revolutionaries but inexperienced in foreign affairs. This development was reflected in a series of similar disturbances provoked by Chinese officials in several other Asian countries.

12. Although Chou En-lai and the more moderate elements still remaining in the Chinese Foreign Ministry probably would have preferred a more restrained response to Burma's "anti-Chinese" activities, thus preserving the status quo in Sino-Burmese relations, the long-growing disenchantment with Ne Win probably undercut their opposition to the then dominant extremists. The destruction of the modus vivendi previously existing between China and Burma can, therefore, be viewed primarily as a by-product of the Cultural Revolution. It probably did not signal a conscious, pre-meditated change in Chinese foreign policy and, in particular, does not seem to represent a new Chinese timetable for insurgency and "people's war" in Southeast Asia.

#### Chinese Support of Communist Insurgency in Burma

13. Peking has made it clear that the "people's war" it advocates in Burma is to be Communist-led. The Communist Party of Burma (CPB)'s 4,000-man guerrilla

force, which operates primarily in the interior of Burma where government control and military capability are greatest, has to date been little more than a nuisance to Rangoon. Unlike Burma's ethnic insurgents, who fight for autonomy or independence from Rangoon, the CPB has had no success in developing a popular base. In fact, the open Chinese support for the party since last summer has probably further lessened its appeal to the average Burmese peasant, who is generally anti-Chinese.

14. Despite the CPB's ineffectual record, Rangoon reacts with alarm to Communist insurgency since the Communists are ethnic Burmese who operate in Burma's rice producing heartland. It has been easier for the government to tolerate far more serious insurgency in the remote and sparsely populated minority areas.

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The Chinese would find it extremely difficult to deliver aid to the CPB in that area because Burmese territory there is largely under the control of anti-Communist ethnic insurgents. If the Burmese party can gain a significant level of cooperation with these ethnic insurgents--something they have been unable to do in the past--and thus gain access to the Chinese frontier, the potential Communist threat to Rangoon would be significantly increased.

15. The relatively cautious approach Peking has taken with regard to the CPB since last summer, however, indicates the Chinese see little prospect of developing an effective Communist insurgency in Burma at present. The Chinese have probably given the CPB only limited financial support and some paramilitary training.

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Peking recognizes CPB's limited capabilities and probably hopes that such low-keyed assistance will lead to a gradual strengthening of the Burmese organization.

16. A New China News Agency year-end status report on the CPB underscored this realistic assessment of the party's immediate prospects. While hailing a series of "brilliant victories," by the Burmese Communists, Peking stressed the long-term nature of their struggle. The Party was lauded for its 20-year effort to build a popular political base necessary for a successful "people's war." It probably derived little comfort, however, from Peking's admonition that further "protracted struggles" lie ahead or from the implication that the CPB's bleak years of isolation and "self-reliance" were the correct environment for "party-building." Peking's rosy picture of an "excellent revolutionary situation" in Burma seemed designed to cloak China's reluctance to commit itself to more active support of the party.

Chinese Support for Ethnic Insurgency  
in the Burmese Border Area

17. Peking's potential for fomenting insurgency in Burma is much greater in the ethnic minority areas adjacent to the Chinese border. This rugged and inaccessible terrain is inhabited primarily by Kachin and Shan tribesmen who cling to a traditional animosity to Burmese rule. In addition, there are a number of minor tribes in the area all of which resist Burmese rule to some degree. The China Burma border has not been in dispute since the conclusion of a Sino-Burmese border agreement in 1960. The boundary, however, winds through extremely rugged terrain and is virtually impossible to police. As a result, the tribal inhabitants of the area are able to come and go across the frontier with relative freedom. Except in major towns, Rangoon has never established control over this area, and much of the territory has long been under the de facto control of insurgent armies. Many of these insurgents, particularly some of the Shans, have degenerated into gangs of bandits or opium runners. The Kachin insurgents, however, have maintained a relatively high degree of political motivation and probably represent the most effective insurgent group in Burma.

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21. There is no evidence, however, to suggest that the Chinese are trying to woo the ethnic insurgents, such as by attempting to engineer the creation of a "liberated area" in northern Burma. Even if Peking had the disposition and assets to undertake such action, the explosive political situation which now exists in Yunnan Province would probably seriously hamper such an ambitious undertaking.

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### Outlook

23. Peking now appears committed to a policy of hostility toward Rangoon. The Chinese may believe that the actions during the Summer and Fall have strained relations with Rangoon so severely that a return to the previous status of "friendly neutrality" is not possible in the near future. There are indications that moderate elements in the Chinese Foreign Ministry are trying to get Peking's foreign policy back into pre-Cultural Revolution channels. They probably calculate, however, that even if they were free to adopt a conciliatory approach to Burma—which has recently affronted Peking again by ordering the

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expulsion of two New China News Agency officials from Rangoon--such a policy would offer little opportunity for Chinese exploitation.

24. The Chinese, however, do not appear as though they will embark on an adventurous course involving them in a major confrontation with the Burmese. Peking's most recent public assessment of the situation in Burma took a sober view of the prospects for insurgency and avoided any explicit commitment to support the Burmese Communists. The kind of small-scale assistance reportedly supplied by the Chinese suggests that they regard Burma's present mixed bag of insurgent groups as something less than a reliable and effective instrument. Peking is, moreover, diverted by serious domestic problems and by its efforts to support the war in Vietnam.

25. The evidence now available points to a long-range Chinese campaign conducted on a limited scale. The Ne Win regime, like its predecessors over the past 20 years, has always faced widespread insurgency. Although a small Chinese-inspired and supported escalation of subversive activity could impose a serious additional burden on the already thinly spread Burmese security forces, it would probably not pose a critical threat to Rangoon.

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